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December 10, 2002

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte Presentation*
In the Matter of Review of the Section 251 Unbundling
Obligations of Incumbent Local Exchange Carriers,
CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

On December, 9, 2002, Richard Whitt, Kimberly Scardino, and Henry Hultquist of WorldCom, Inc., Larry Rogers, Director, DSL Products for WorldCom and Ruth Milkman of Lawler, Metzger & Milkman, counsel to WorldCom met with Daniel Gonzalez, Senior Legal Advisor to Commissioner Martin, to discuss the above-captioned proceeding. During the meeting, WorldCom discussed the attached presentation on DSL. WorldCom also described the circumstances under which incumbent LECs should continue to be required to provide access to unbundled transport and high-capacity loops, as discussed in previous WorldCom submissions filed in this docket.¹

¹ “Transport Competition and Circuit Grooming” (Sept. 30, 2002), filed with letter from H. Hultquist to M. Dortch (Oct. 1, 2002); “Hi-Cap Competition,” filed with letter from R. Milkman to M. Dortch (Oct. 7, 2002); Letter from H. Hultquist, filed with letter from R. Milkman to M. Dortch (Oct. 30, 2002); and Memorandum, “Legal and Policy Considerations with Respect to EELs,” filed with letter from R. Milkman to M. Dortch (Nov. 18, 2002).

Marlene H. Dortch

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Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this letter is being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gil Strobel', with a stylized, flowing script.

Gil Strobel

Attachment

cc: Daniel Gonzalez

WorldCom DSL

December 9, 2002

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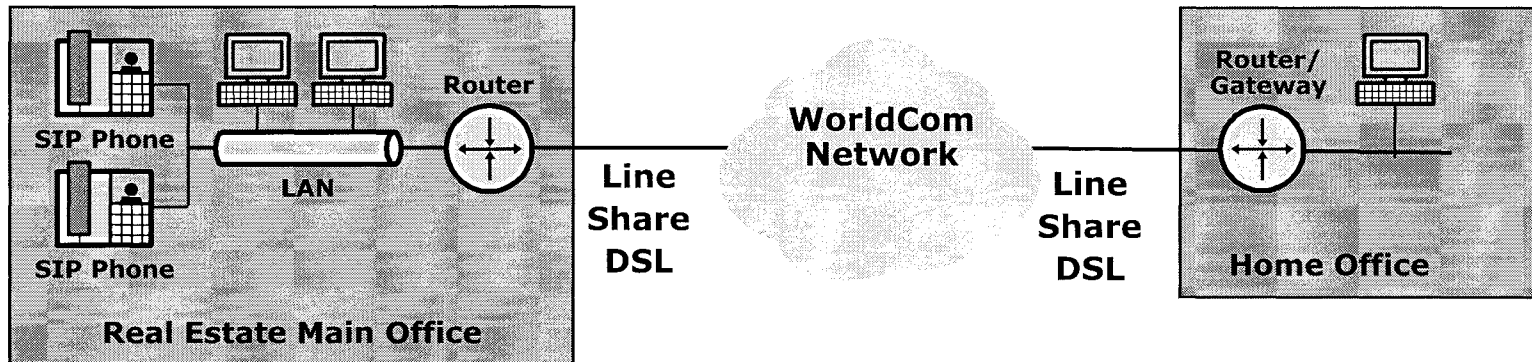
The names, logos, and taglines identifying WorldCom's products and services are proprietary marks of WorldCom, Inc. or its subsidiaries. All other trademarks and service marks are the property of their respective owners.

Distinguishing Aspects of WorldCom DSL

- Competitive Option for Businesses and ISPs
- Nationwide Coverage / Single Supplier
 - Key for ISP & Regional/National Enterprises
- Owned and Managed Facilities from DSLAM to WCOM Backbone
- DSL Access to Multiple Network Backbones
 - Important for business to connect to existing infrastructure
- WorldCom Service Levels
 - Business or consumer grade
 - Customers willing to pay for the features

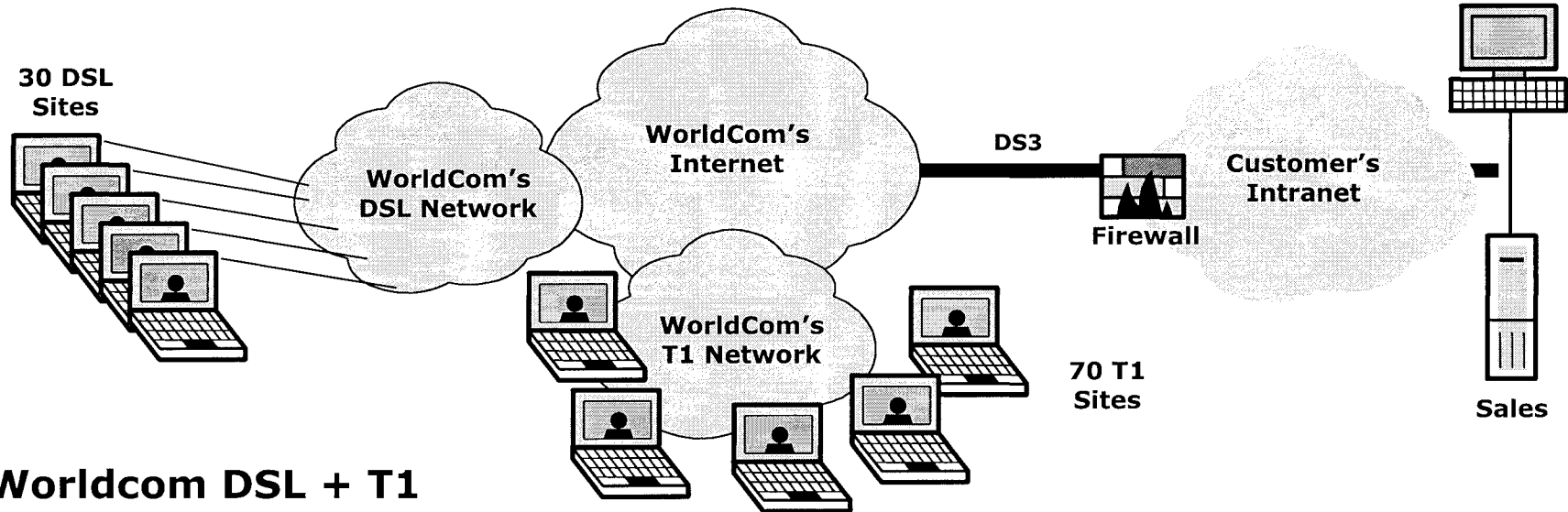


Business: Line Sharing Delivers Benefits to Businesses



- Typical customer: two site real estate company
- Wcom Business DSL Line Sharing Offering
 - Each site 1.5M down/256k up bandwidth
 - Price - \$75
 - Service Guarantees
 - Integrated access to value added service(VoIP, IP Centrex)
- If forced to use xDSL loops:
 - absorb ~\$330 install costs
 - 30% increase in monthly costs
 - not feasible with this market
- Alternative is ILEC Consumer Grade
 - 1.5M down/256k up
 - Price - \$60 per month (VZ Web)
 - No service guarantees
 - No integrated access to value added services(VoIP, IP Centrex)

Large Businesses Benefit from WCOM DSL

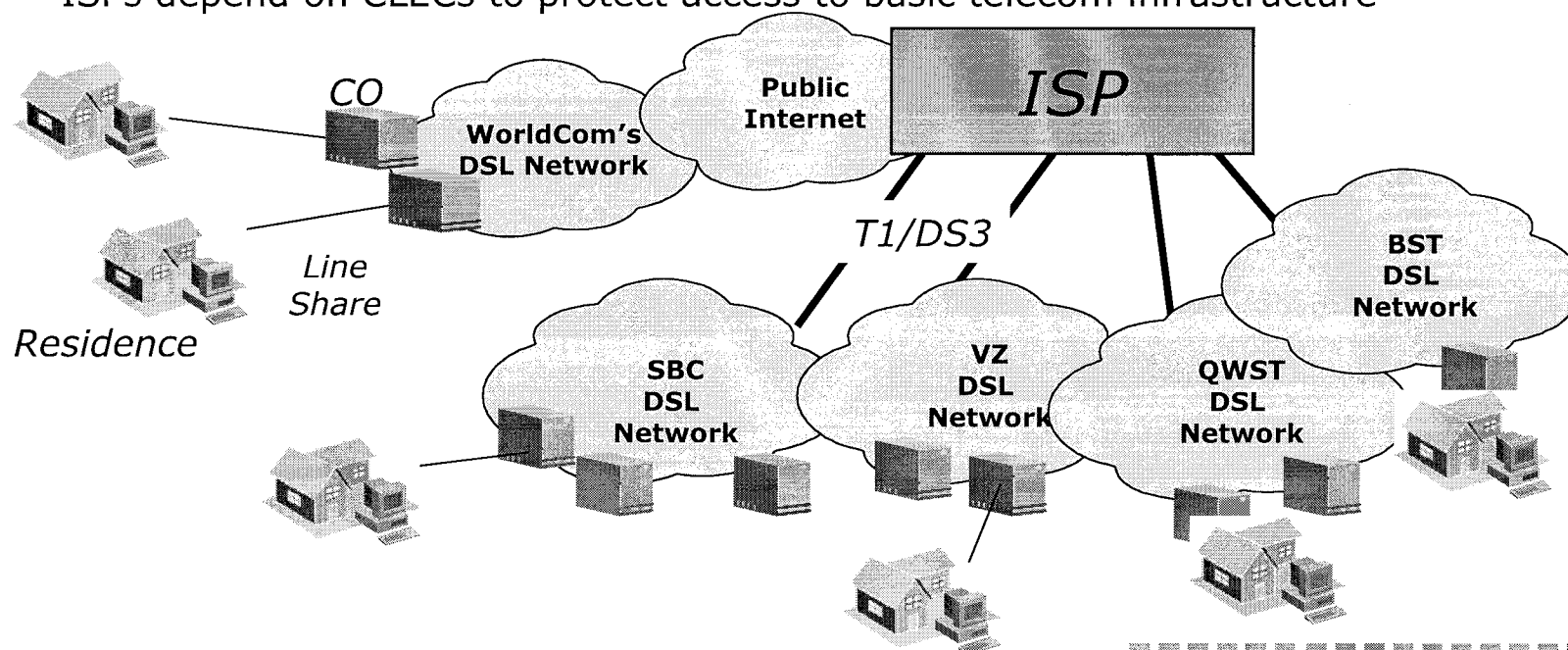


Worldcom DSL + T1

- 30 DSL Sites @ \$175
- 70 T1 Sites @ \$800
- 1 DS3 @ \$2000
- Total Monthly Cost = \$63,250
- ILEC T1 offering - 100 T1's = \$82,000
- Net savings of \$18,750 per month

ISP Competition with ILEC depends on Line Sharing

- **ISPs utilize WorldCom's broad product offering**
 - Consumer to business grade services based on line shared loops
- **WorldCom provides nation-wide, single supplier of line shared service**
 - Low investment to get started – encourages innovators
- **Without Line Sharing, ISPs will not be able to compete with ILEC offering on price**
 - ISPs depend on CLECs to protect access to basic telecom infrastructure



CLECs Are Impaired Without Access to DSL Loops (including fiber-fed loops) and Line Sharing

- **CLECs need access to ILEC network to provide DSL**
 - ILECs own the last mile; CLECs cannot duplicate access
- **Fiber-fed loops are no different from copper loops—they remain a bottleneck facility**
 - WorldCom requesting bit-stream access, with a handoff in central office or at another point in the ILEC network
 - If pricing is concern, states can study whether inputs (e.g. cost of capital) should be adjusted
 - Provisioning issues should be addressed by the states (e.g. QOS)
- **CLECs are impaired without access to line-shared loops**
 - Second loop often unavailable (no facilities)
 - Cost of second loop materially increases provisioning costs, and decreases efficiency
 - Delivering Line Sharing UNE to CLEC is not a substantial incremental burden for ILECs
- **Impairment analysis consistent with statute and *USTA* decision ---> unbundling of xDSL loops (including fiber-fed loops) and line sharing**
- **Benefits of DSL competition far outweigh the minimal costs associated with unbundling**

